

## Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-03 USIA-06 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01 PA-01 PRS-01

XMB-02 /092 W

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R 101531Z JUL 75

FM AMEMBASSY ACCRA

TO SECSTATE WASHDC 8245

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E.O. 11652: N/A

TAGS: EAID, ECRE, ENRG,GH

SUBJ: KPONG HYDROELECTRIC DAM

1. DURING MEETING WITH MINISTRY OF ECONOMIC PLANNING, DIRECTOR OF PLANNING REO BASOAH REVIEWED WITH USAID DIRECTOR GOG'S PLANS FOR CONSTRUCTION OF KPONG DAM EMPHASIZING ITS CRITICAL IMPORTANCE TO GHANA'S ENGERGY REQUIREMENTS AND THE URGENCY IN ARRANGING FINANCING DUE TO FIVE-YEAR ESTIMATED LEAD TIME BETWEEN FUNDNG AND COMPLETION. HE POINTED OUT THAT GHANA WILL REQUIRE THIS NEW SOURCE OF POWER BY 1981 WHEN EXISTING SOURCES BECOME FULLY UTILIZED. HE STRESSED ITS IMPORTANCE TO THE COUNTRY'S DEVELOPMENT BROADLY INCLUDING THE FUTURE DEVELOPMENT OF AGROINDUSTRIAL ENTERPRISES. APPROXIMATE COST HE SAID WAS ABOUT \$240-250 MILLION OF WHICH 80 PERCENT FOREIGN EXCHANGE COSTS. ONLY IBRD AND CANADA PRESENTLY COMMITTED TO ASSIST UP TO AN ESTIMATED \$100 MILLION OUT OF THE \$200 MILLION FOREIGN ASSISTANCE NECESSARY. HE SAID IBRD IS NOW SUPPORTING PROJECT AND HAS ACCEPTED FEASIBLITY STUDY. HE EXPRESSED THE GOVERNMENT'S WISH FOR USG ASSISTANCE BUT HE RECOGNIZED THAT AID'S POLICY GAVE A LOW PRIORITY TO SUCH PROJECTS. GOG WAS, OF  
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COURSE, APPROACHING OTHER DONORS AS WELL.

2. USAID DIRECTOR NOTED THAT BASCOAH HAS CORRECT UNDERSTANDING AID DEVELOPMENT ASSISTANCE POLICY AND ASKED WHETHER GOG ABLE TO DEMONSTRATE BROAD IMPACT OF PROJECT ON COUNTRY'S GROWTH, ON RURAL DEVELOPMENT AND INCOME DISTRIBUTION, WHICH WOULD BE KEY CONSIDERATIONS IN ANY USG VIEW OF PROJECT. USAID DIRECTOR ALSO NOTED THAT THERE SOME POSSIBILITY FOR EXIM PARTICIPATION AND SUGGESTED THAT, IF GOG WISHED TO REQUEST USG PARTICIPATION OFFICIALLY, IT MAY WISH TO ADDRESS ITS REQUEST THROUGH THE AMERICAN AMBASSADOR.

3. COMMENT: KPONG DAM PROJECT WILL BE THE MAJOR CAPITAL PROJECT IN GHANA'S COMING DEVELOPMENT PLAN, AND FINANCING IS BECOMING CENTRAL ISSUE. BELATED BUT GROWING AWARENESS IN GOG OF KPONG PROJECT'S VITAL ROLE IN MEETING NEAR FUTURE ENERGY REQUIREMENTS GIVING GOG NEW SENSE OF URGENCY. U.S. PARTICIPATION IN CONSORTIUM OF DONORS LIKELY BECOME QUESTION OF SIGNIFICANT IMPORTANCE IN U.S.-GHANA RELATIONS EVEN THOUGH GOG ENTHUSIASTIC ABOUT MAIN LINES OF CURRENTLY PLANNED AID PROGRAM AND ITS SUPPORT OF OTHER IMPORTANT PRIORITIES IN GOG DEVELOPMENT PLANS. WE NOTE THAT PRICETAG ON KPONG ESCALATING IN A MAJOR WAY; IN LATE 1974 VISITING EXIMBANK OFFICER WAS TOLD BY VOLTA RIVER AUTHORITY CHIEF EXECUTIVE QUARTEY THAT PRICE THEN HAD GONE UP TO ESTIMATED DOLS 130 MILLION. QUARTEY WAS TOLD AT THAT TIME THAT EXIMBANK PARTICIPATION WOULD BE RELATIVELY MINOR AMOUNT.

4. DECONTROL 12/31/77.  
BLACK

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, ELECTRIC POWER, DAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Review Content Flags:**  
**Review Date:** 26 AUG 2003  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KPONG HYDROELECTRIC DAM  
**TAGS:** EAID, ECRE, ENRG, GH, (BASOAH, REO)  
**To:** STATE  
**Type:** TE  
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